

**Procedures for Processing DHHS Personnel Actions Due to the Budget Shortfall  
July, 2005**

**Summary of Critical/Non-Critical Care Personnel Actions**

**1. CRITICAL CARE POSITIONS**

- Can be posted under the Secretary's blanket approval.
- Can commit NEW HIRES into Critical Care Positions under the Secretary's blanket approval.
- Promotions following the guidelines directly below require prior approval by the Division Director.

**Promotional Increase Guidelines for critical care positions:** promotional increases shall be limited to 5% per pay grade up to a maximum of 20% for four paygrades or more; or to the minimum of the new salary grade (or the SMR=special minimum rate), whichever is greater and must be approved by the Division Director. Any salary increase or promotional increase exceeding these guidelines must be submitted and approved as an "extraordinary exception" by the Secretary.

**2. NON-CRITICAL CARE POSITIONS**

- Must be approved for posting by the Secretary *if position has been vacant more than 90 days.*
- Can commit NEW HIRES into Non-Critical Care Positions under the Secretary's blanket approval.
- Promotions following the guidelines directly below require prior approval by the Division Director.

**Promotional Increase Guidelines for non-critical care positions:** promotional increases shall be limited to 5% per paygrade up to a maximum of 20% for four paygrades or more; or to the minimum of the new salary grade (or the SMR=special minimum rate), whichever is greater and must be approved by the Division Director. Any salary increase or promotional increase exceeding these guidelines must be submitted and approved as an "extraordinary exception" by the Secretary.

**3. SALARY ADJUSTMENTS FOR EMPLOYEES IN TRAINEE SCHEDULES OR TO MINIMUMS OR SMR's** can be processed with appropriate documentation and funding, per blanket approval by the Secretary.

**4. EFFECTIVE DATES:** Personnel actions cannot be effective prior to the first of the month in which final approvals are granted. Any effective date prior to a current payroll period is an exception to State Personnel policy, as well as to DHHS budget restriction guidelines.

The PD-105's for all exceptions to these guidelines should be forwarded to the attention of Sandy Woodard, Classification and Compensation section.

**General Guidelines**

Positions that are entirely or partially supported with state appropriations and positions funded with Block Grant funds remain frozen. Block Grant funded positions remain frozen because these sources of money may be available to support program costs currently using state appropriations.

The positions described in the following bullets are exempt from the freeze:

- ◆ Posting and hiring of Critical Care positions, per the list approved by State Budget & Management and OSP, are allowed. See Attachment 1 for the list which was revised 2/22/05.
- ◆ Posting and hiring of Non-Critical Care positions are now allowed for positions vacant less than 90 days at the time of posting.
- ◆ Positions that are governed by G.S. 115-C are exempt from the freeze if they are "directly related to classroom instruction" and promote academic achievement for our special needs populations.

**Guidelines regarding Promotional Increases**

Promotional increases for all positions will be limited to 5% per paygrade to a maximum of 20% for four paygrades or more; or to the minimum of the new pay grade (or SMR), whichever is greater. Eligibility for additional increases, including calculation as a new hire, can be documented on the PD-105 reserving future action when/if funding becomes available; the effective date of such an action would be on a current basis and NOT retroactive.

- An increase allowable within this guideline shall be approved by the Division Director.
- An increase exceeding this guideline shall be requested as an "extraordinary exception" to the Secretary through the Assistant Secretary.
- PD-105's for any promotional increase approved as an extraordinary exception should be forwarded to Sandy Woodard, Classification and Compensation.

## **Processing DHHS Personnel Actions**

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### **Trainee/Minimum/SMR Adjustments for ALL Positions**

Salary adjustments for Critical Care and Non-Critical Care employees in trainee schedules or to minimums or SMR's can continue to be processed with appropriate documentation and funding, per blanket approval by the Secretary.

### **All Other Personnel Actions**

The Division Director can continue to approve horizontal transfers and reassignments to positions at a lower salary grade for current state employees into Critical Care, or Non-Critical Care positions approved for posting.

Reallocations from Critical Care titles to Non-critical Care titles and reallocations changing institutional-based positions to non-institutional based positions must be approved by the Secretary. All other reallocations can be approved by the Division Director.

All other personnel/salary actions awarding increases not addressed above, for both Critical Care and Non-Critical Care positions must continue to be approved by the Assistant Secretary before final review/approval by the Secretary. These actions include in-range adjustments, special entry rates (MIA's) and other actions increasing salaries. These requests should be submitted on the "Request to Post Vacant Non-Critical Care Position(s) and/or Request for Critical/Non-Critical Salary Action(s)" form, Attachment 2. This authorization does not infer the approval of the personnel action itself; rather it is intended to ensure funding availability as the prerequisite.

For hiring into Non-Critical Care positions, division directors must consider that there is no possible way for them to continue mission-critical operations without filling these positions.

### **Processing Personnel Actions**

For new hires into DHHS Critical Care positions, per instructions from State Personnel and State Budget and Management, the following statement should be included on PD-118's and 105's:

"This is a DHHS Critical Care position and has been determined by Secretary Hooker Odom to be exempt from the restrictions in David McCoy's 2/14/02 and 5/3/02 memoranda."

For filling Non-Critical Care positions and for salary actions on all DHHS positions not exempt from the freeze based on funding source(s), the following statement should be included on PD-118's and 105's, after appropriate approvals:

"This request is approved by Secretary Hooker Odom as an extraordinary exception to the guidelines included in the 2/14/02 and 5/3/02 memoranda from David McCoy regarding FY 2001-02 Budget Shortfall."

These 118's and 105's should include a brief description of "extraordinary" circumstances related to filling the position(s). Personnel actions for these positions shall not be processed by local HR offices prior to official approval from the Secretary or from the Division Director for actions delegated for his/her approval.

**Temporary agency appointments** committed prior to 2/15/02 may NOT be refilled if they are vacated unless released through this unfreeze process. For temporary agency appointment or temporary employees proposed to work against a permanent position, these must be unfrozen/filled in accordance with these guidelines.

### **SUMMARY OF PERSONNEL ACTIONS**

The intent of these instructions is that all salary actions for positions covered by the budget restrictions will need to be approved by management, either the Division Director or the Secretary. The changes being made are:

- Division Director may approve New Hires into Non-Critical Care positions if funding is available for the recommended salary. Any Non-Critical Care positions vacant for 90 days or longer must continue to be submitted to the Secretary for approval for posting
- Division Director may approve promotions or transfers into all positions that follow the new guidelines of 5% per paygrade up to a maximum of 20% for four paygrades or to the new minimum, whichever is greater.
- An additional signoff line for the Division or Institution Budget Officer is being added to the form, Attachment 2.



## **SUMMARY OF 2005 REVISION TO FREEZE GUIDELINES**

### **2005 Revisions**

#### **Critical Care Positions can be posted under Secretary's blanket approval.**

- Division Director can approve new hires.
- Division Director can approve promotions per guidelines below.

No change

Change in guidelines

#### **Non-Critical Care Positions can be posted with approval by Division Director If vacant 90 days or less.**

No change

- Division Director can approve new hires.
- Division Director can approve promotions per guidelines below.

Changed to no budget restrictions regarding salary of previous incumbent; remain subject to normal HR review and budget availability.

Change in guidelines

#### **Guidelines for Increases for both Critical Care and Non-Critical Care Positions and Other Salary Actions**

- Promotional increases will be 5% per paygrade up to a maximum of 20% for four paygrades or more; exceptions must be approved by the Secretary.
- Trainee/Minimum/SMR adjustments for all positions can be approved by the Division Director.
- Reallocations from Critical Care titles to Non-Critical Care titles and reallocations changing institutional-based positions to non-institutional positions must be approved by the Secretary. All other reallocations can be approved by the Division Director.
- All other actions increasing salaries, including in-range adjustments, special entry rates (MIA's), etc., must be approved by the Secretary.

NOTE: All personnel actions are subject to normal HR review procedures and must have salary reserve available to implement. In order to ensure that funds are available, the new unfreeze form will include a line for the Division Budget Officer's signoff.